

OFFICE OF FINANCE PROGRAMS

MILITARY PERSONNEL AND SERVICE-DISABLED
VETERANS NO-INTEREST LOAN PROGRAM

(MPSDVLP)

ANNUAL STATUS REPORT
FISCAL YEAR 2013

Submitted by:

Maryland Department of Business and Economic Development

As of June 30, 2013

MILITARY PERSONNEL AND SERVICE-DISABLED
VETERANS NO-INTEREST LOAN PROGRAM

(MPSDVLP)

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DEPARTMENT OF BUSINESS AND ECONOMIC DEVELOPMENT

MILITARY PERSONNEL AND SERVICE-DISABLED VETERANS NO-INTEREST LOAN PROGRAM (MPSDVLP)

History and Program Description

The Military Personnel and Service-Disabled Veterans No-Interest Loan Program (Program) is administered by the Department of Business and Economic Development (DBED or Department) in consultation with the Maryland Department of Veterans Affairs (MDVA). The Program was established in 2006 to assist military reservists and National Guard members called to active duty, service-disabled veterans, and businesses that employ or are owned by such persons.

For businesses owned by military reservists and National Guard members called to active duty, and for small businesses that employ such persons, the purpose of the Program is to assist with costs that result from the call to active duty. For service-disabled veterans, businesses owned by service-disabled veterans, and businesses employing service-disabled veterans, the purposes of the Program are to assist with the cost of making the home, motor vehicle, or place of employment of a service-disabled veteran accessible to individuals with disabilities, and to defray other necessary expenses incurred by the employer of a service-disabled veteran as a result of the veteran's disability, or by a service-disabled veteran or a business owned by a service-disabled veteran.

Eligible applicants include businesses owned by military reservists and National Guard members called to active duty, and small businesses, with fewer than 50 employees, that employ them. For reservists or National Guard members called to active duty, Program funds must be used for payment of identifiable costs of the business, including general business expenses, which result from the call to active duty. The loan may be made at any time from the date of the call to active duty through the period ending six months after the end of the individual's active duty. Eligible applicants also include service-disabled veterans and businesses that employ them or are owned by them. For service-disabled veterans, Program funds must be used either for the acquisition of equipment or for the payment of other necessary expenses, including general business expenses necessary to start or sustain a business operation.

Equipment purchased with Program funds must have a useful life in excess of one year and must help make the home, motor vehicle, or place of employment of a service-disabled veteran accessible to individuals with disabilities. Expenses for equipment may include the cost of training needed to use the equipment, maintenance agreements and extended warranties for the equipment, and the cost to install telecommunications systems necessary for use of the equipment (e.g. telephone, DLS, internet hookup cost). Also, a service-disabled veteran seeking assistance with modifying a home or automobile must first apply for and receive a final determination of eligibility for assistance from the U.S. Department of Veterans Affairs under the Home Modification Program or the Automobile and Special Adaptive Equipment Program.

Program Performance Since Inception

Since the inception of the Program through June 30, 2013, the Department has approved twenty (24) loan transactions totaling \$1,074,007. Seventeen (17) loans totaling \$725,000 have settled. The total outstanding balance of seventeen (17) loans in the portfolio is \$599,384. Since the inception of the program one (1) loan with a balance of \$46,225 has been charged-off. The activity of the Program has contributed to the creation and retention of approximately 94 jobs, and encouraged approximately \$1.3 million in private capital investment.

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Program Performance for Fiscal Year 2013

The Department approved four (4) new MPSDVLP transactions in fiscal year 2013 that will utilize \$137,000 of program funds. These projects are anticipated to create and retain approximately 18 jobs and facilitate approximately \$106,000 in private capital investment. Three projects settled in fiscal year 2013, and one project is anticipated to settle in fiscal year 2014. During fiscal year 2013, the Department settled four (4) loans that were approved in fiscal year 2012 for \$200,000, and one (1) loan for \$25,000 that was approved in fiscal year 2011.

Projected Program Performance for Fiscal Year 2014

The appropriation of funds for the MPSDVLP for fiscal year 2014 is \$300,000. The Department anticipates that 100% of these funds will be committed to eligible projects during fiscal year 2014.

In the 2013 Legislative session, the Maryland Generally Assembly approved Chapter 105, which alters the name and expands eligibility for participation in the program to include all veteran owned small businesses. The name of the program is changed to Military Personnel and Veteran-Owned Small Business No Interest Loan Program. Also, the change eliminates the requirement for a veteran to have a service related disability to use the program. These modifications became effective on October 1, 2013.

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Approved Report

7/1/2012 Through 6/30/2013

<i>Approved Date</i>	<i>Client Name</i>	<i>Loan</i>	<i>Loan Amount</i>	<i>Guarantor Percentage</i>	<i>Loan Guarantee</i>	<i>County</i>	<i>Total Project Costs</i>	<i>Trainees Pro / Actual</i>	<i>New Jobs</i>	<i>Retained Jobs</i>
<i>Military/Disabled Veterans</i>										
9/10/2012	Village Family Dental Spaa, LL	14170101	\$50,000.00	0.0%	\$0.00	Charles	\$50,000.00	N/A	2	3
9/18/2012	James F. Mingey dba Veterans B	14270101	\$25,000.00	0.0%	\$0.00	Talbot	\$83,000.00	N/A	1	4
10/16/2012	All American MD, LLC	11720201	\$12,000.00	0.0%	\$0.00	Prince	\$60,000.00	N/A	0	1
4/29/2013	BSH Management Services, LLC	14710101	\$50,000.00	0.0%	\$0.00	Carroll	\$50,000.00	N/A	2	5
Totals:		4 Loans	\$137,000.00		\$0.00		\$243,000.00	0	5	13
Grand Totals:		4 Loans	\$137,000.00		\$0.00		\$243,000.00	0	5	13

DEPARTMENT OF BUSINESS AND ECONOMIC DEVELOPMENT

Settled Report

7/1/2012 Through 6/30/2013

<i>Settled Date</i>	<i>Client Name</i>	<i>Loan</i>	<i>Loan Amount</i>	<i>Guarantor Percentage</i>	<i>Loan Guarantee</i>	<i>County</i>	<i>Total Project Costs</i>	<i>Trainees Pro / Actual</i>	<i>New Retained Jobs Jobs</i>
<i>Military/Disabled Veterans</i>									
7/5/2012	Falcon Solutions, LLC	13420101	\$50,000.00	0.0%	\$0.00	Anne Arundel	\$50,000.00	N/A	1 1
9/13/2012	The Nixon Group, LLC	13530101	\$50,000.00	0.0%	\$0.00	Howard	\$50,130.00	N/A	10 5
11/28/2012	Advanced Pro Inspections, LLLC	13960101	\$50,000.00	0.0%	\$0.00	Montgomery	\$57,400.00	N/A	1 0
11/29/2012	Price Capital Investment	12680101	\$25,000.00	0.0%	\$0.00	Charles	\$25,000.00	N/A	1 0
12/3/2012	Village Family Dental Spaa, LL	14170101	\$50,000.00	0.0%	\$0.00	Charles	\$50,000.00	N/A	2 3
12/10/2012	All American MD, LLC	11720201	\$12,000.00	0.0%	\$0.00	Prince	\$60,000.00	N/A	0 1
1/25/2013	James F. Mingey dba Veterans B	14270101	\$25,000.00	0.0%	\$0.00	Talbot	\$83,000.00	N/A	1 4
2/20/2013	Monkey Kate and Dave's, LLC	13830101	\$50,000.00	0.0%	\$0.00	Calvert	\$100,781.00	N/A	6 0
Totals:		8 Loans	\$312,000.00		\$0.00		\$476,311.00	0 0	22 14
Grand Totals:		8 Loans	\$312,000.00		\$0.00		\$476,311.00	0 0	22 14